

Latino representation on Fortune 1000 boards

2023 Edition

Introduction

Even with continued progress, Latinos remain significantly underrepresented in corporate boardrooms. Among Fortune 1000 companies, the Hispanic/Latino presence in these boardrooms measured 5.0 percent in 2023, up from 2.7 percent in 2019, the first year we conducted this study.¹ These numbers are more than just statistics—given that almost 20 percent of US residents are Latino,² they identify a missing voice at the highest levels of corporate leadership.

The recent edition of the Latino Board Monitor by the Latino Corporate Directors Association (LCDA) emphasizes this concerning trend. Forecasts show that Latinos will continue to be underrepresented in boardrooms, with some projections indicating that this drastic underrepresentation will persist beyond 2060.³ At that time, it is projected that one in four Americans will be of Latino descent.⁴ These figures present a ripe opportunity for change. Otherwise, boardrooms in America will continue to lose the benefit of this crucial constituency's perspective and its communities' burgeoning financial impact for decades to come.

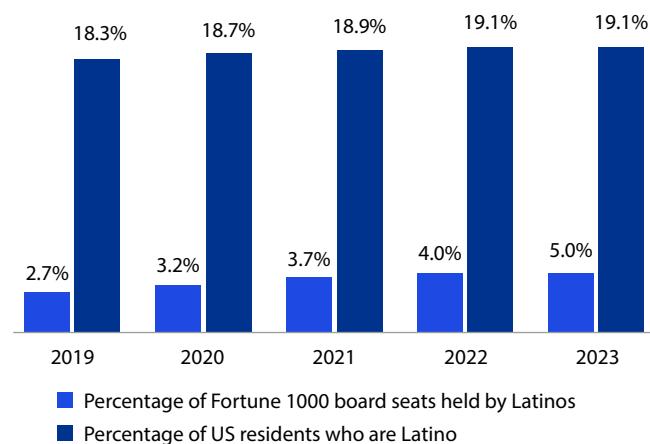
In recognizing the stark underrepresentation of Latinos in corporate boardrooms, we acknowledge a significant missed opportunity—capable Latinos are often not included in the pipelines and networks that lead to board seats, and therefore find themselves on the fringes of consideration for board positions. This oversight denies these leaders the chance to contribute their valuable perspectives and deprives organizations of the innovation and expertise they bring. Encouragingly, this report unveils a promising trend—the rise in the number of public Fortune 1000 nominating/governance committees chaired by a Latino. These committees play a pivotal role in shaping board composition, offering hope for a more inclusive future in corporate leadership.

This report stands as a cornerstone in the robust collaboration between LCDA and KPMG LLP. LCDA stands as a testament to the abundant supply⁵ of accomplished Latinas and Latinos making significant contributions to the C-suite and boardroom.

Through the collaborative efforts of KPMG and LCDA, we shed light on the current landscape and catalyze the development of solution-based action plans.

LCDA and KPMG extend their profound gratitude to the LCDA and KPMG teams supporting this work. Special thanks to LCDA First Vice Chair and former KPMG Audit Partner and Audit Committee Institute Leader Jose R. Rodriguez, to KPMG Board Leadership Center (BLC) Leader John Rodi and Senior Advisor Stephen Brown for their continuing leadership and contributions, and to KPMG BLC Senior Advisor Annalisa Barrett for her research and authorship of these reports.

We celebrate this partnership as a pivotal opportunity to rethink and broaden the paths leading to board leadership, helping ensure boardrooms capture the extraordinary talent that incorporates the perspective of this key group driving US economic growth.



¹ KPMG Board Leadership Center, *Latino Representation on Fortune 1000 Boards: 2019 Edition*, p. 4.

² US Census Bureau, United States QuickFacts, population estimates as of July 1, 2023.

³ Latino Corporate Directors Association et al., *Latino Board Monitor 2023*, September 28, 2023, p. 4.

⁴ US Census Bureau, *U.S. Population Projected to Begin Declining in Second Half of Century*, November 9, 2023.

⁵ Latino Corporate Directors Association, *Member Directory*.



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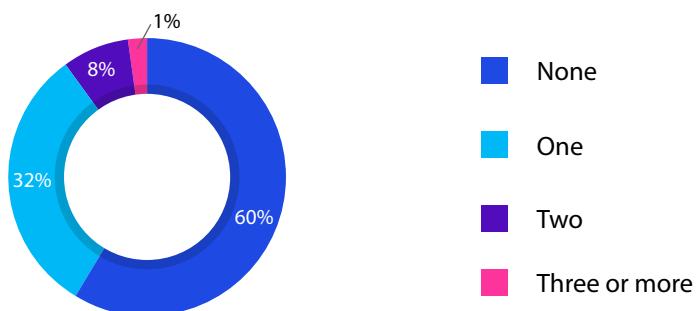


Prevalence of Latino directors on Fortune 1000 company boards

This fourth annual study conducted by the KPMG BLC and LCDA analyzes the prevalence of Latino directors serving on the boards of Fortune 1000 companies. While the overall prevalence of Fortune 1000 board seats held by Latinos remains low, it has increased from 2.7 percent in 2019 to 5.0 percent in 2023. Importantly, more Fortune 1000 companies have Latino representation in the boardroom. In 2019, 77 percent of Fortune 1000 boards had no Latino directors compared to 60 percent in 2023. During the same period, the percentage of Fortune 1000 boards with one Latino director increased from 21 percent to 32 percent. Encouragingly, 8 percent of Fortune 1000 companies now have two Latino directors on their board, compared to only 2 percent in 2019.

Number of Latino directors per Fortune 1000 board

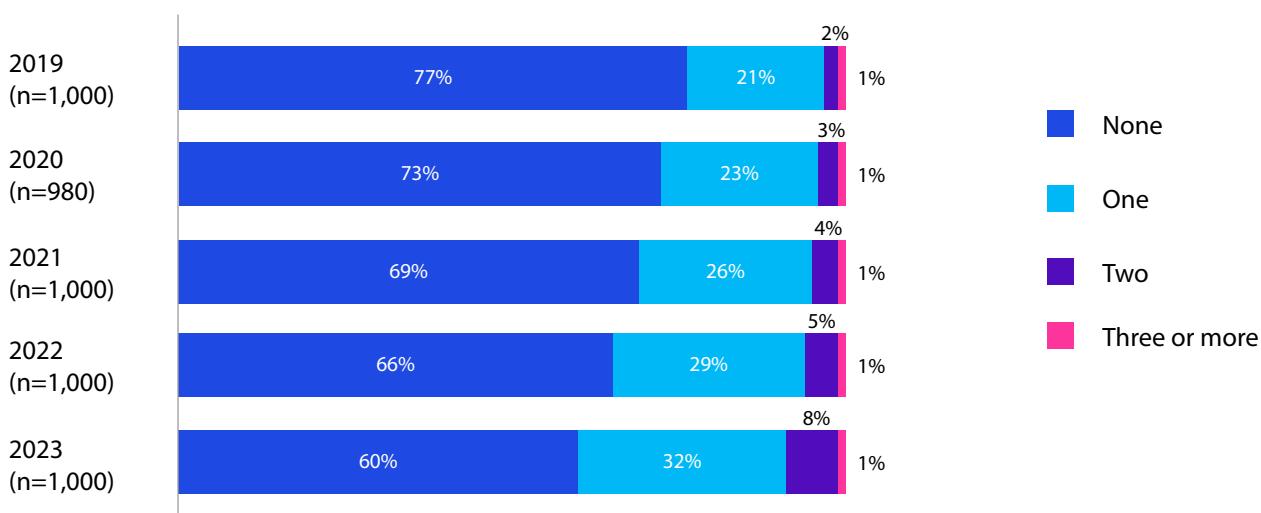
2023; n=1,000 companies



Note: Does not equal 100% due to rounding

Number of Latino directors per Fortune 1000 board

Year-over-year comparison

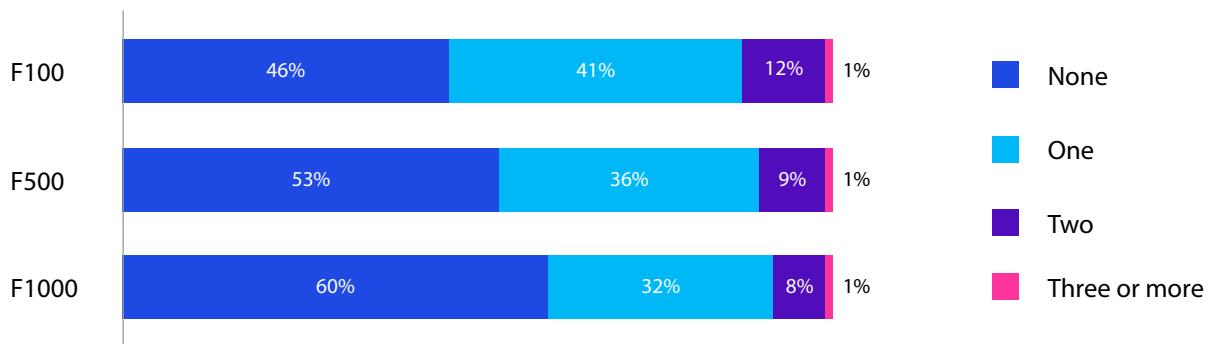


Note: Does not equal 100% due to rounding

The larger the company, the higher the likelihood of Latino representation in the boardroom, with more than half of the Fortune 100 having at least one Latino director.

Number of Latino directors per board

Comparison by company size (Fortune rank) (2023)



Note: Does not equal 100% due to rounding

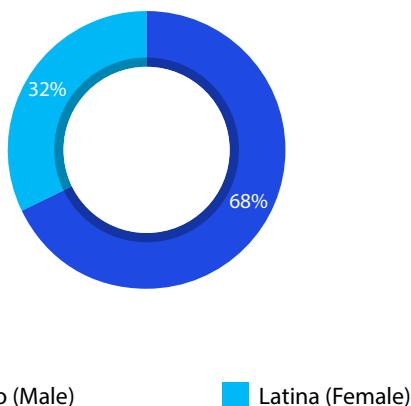


Director gender

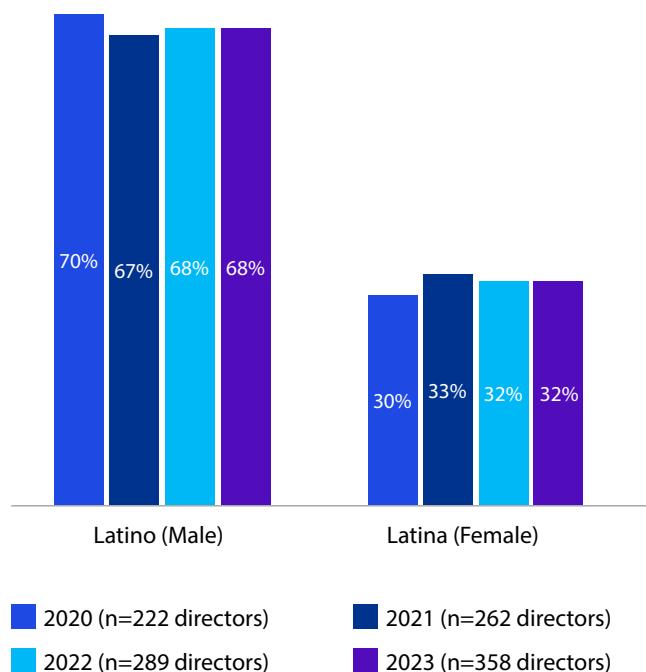
Stakeholder interest in board diversity remains high. Boards continue to focus on all aspects of diversity when reviewing their composition and identifying new director candidates. While there has been significant progress on increasing gender diversity on US boards—with 30 percent of public Fortune 1000 board seats held by women in 2023—there is more work to be done. Nearly one-third (32 percent) of the Latino directors studied are female, and this level has held relatively steady over the last three years. The Latinos serving on public Fortune 1000 boards are slightly more likely to be female compared to all public Fortune 1000 directors.

Gender of Latino directors serving on public Fortune 1000 boards

2023; n=358 directors

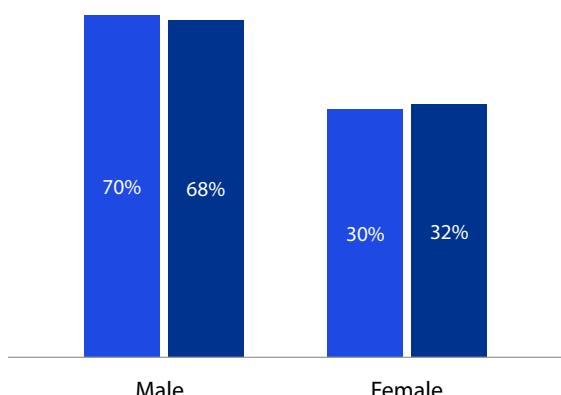


Director gender Year-over-year comparison



Director gender

Comparison between Latino directors and all public Fortune 1000 directors (2023)



■ All public Fortune 1000 directors (n=7,767 directors)

■ Latino directors (n=358 directors)

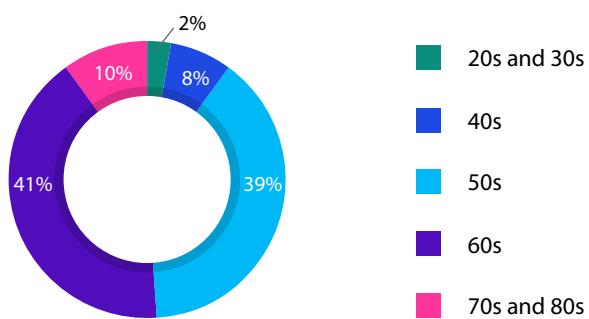
Director age

As boards seek diverse candidates, age diversity is increasingly taken into consideration. Boards with members of a variety of ages benefit from their diversity of life experiences and perspectives. For example, younger directors may be more experienced with technology, having grown up as digital natives, while older directors have lived through economic downturns, geopolitical tensions, and other experiences that may inform their board work.

Many Latino directors bring age diversity to the boardrooms where they serve. While Latino directors are most likely to be in their 50s or 60s, the overall director population is most likely to be 60 or older, with almost 1 in 5 in their 70s or 80s.

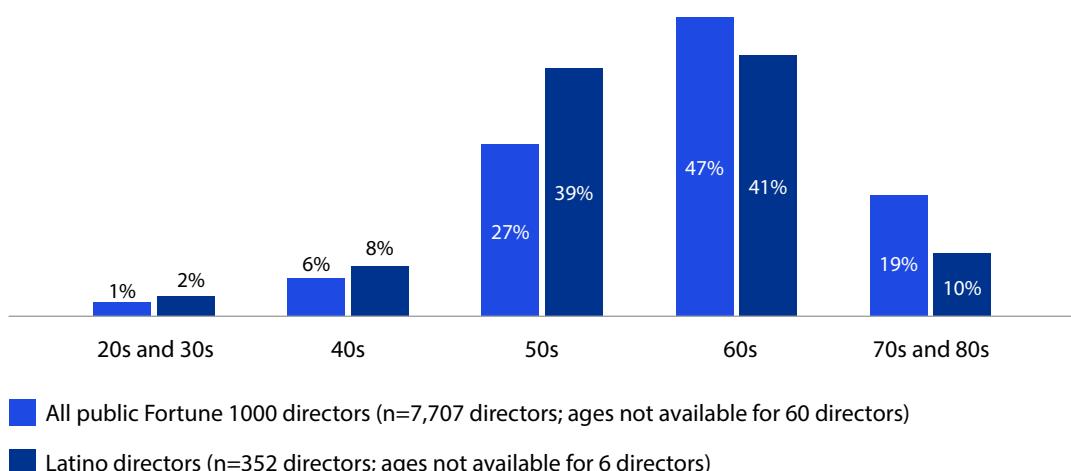
Ages of Latino directors serving on public Fortune 1000 boards

2023; n=352 directors (ages not available for 6 directors)



Director age

Comparison between Latino directors and all public Fortune 1000 directors (2023)



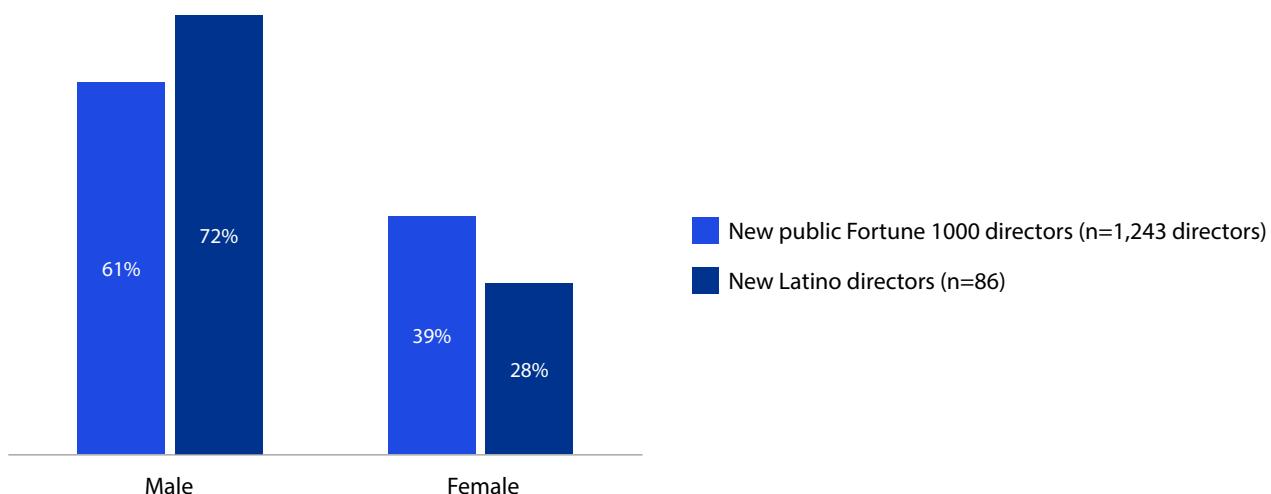
New directors

Among those directors who joined their public Fortune 1000 boards between January 2022 and June 2023 ("new directors"), 7 percent are Latino. Interestingly, these new Latino directors are less likely to be female. Although the overall prevalence of women among all Latinos serving on public Fortune 1000 boards is 32 percent, only 28 percent of these new Latino directors are female. In comparison, 39 percent of all directors who joined public Fortune 1000 boards during the same time are female.

Gender of new directors

who started between January 1, 2022, and June 30, 2023

Comparison of Latino directors and all public Fortune 1000 directors

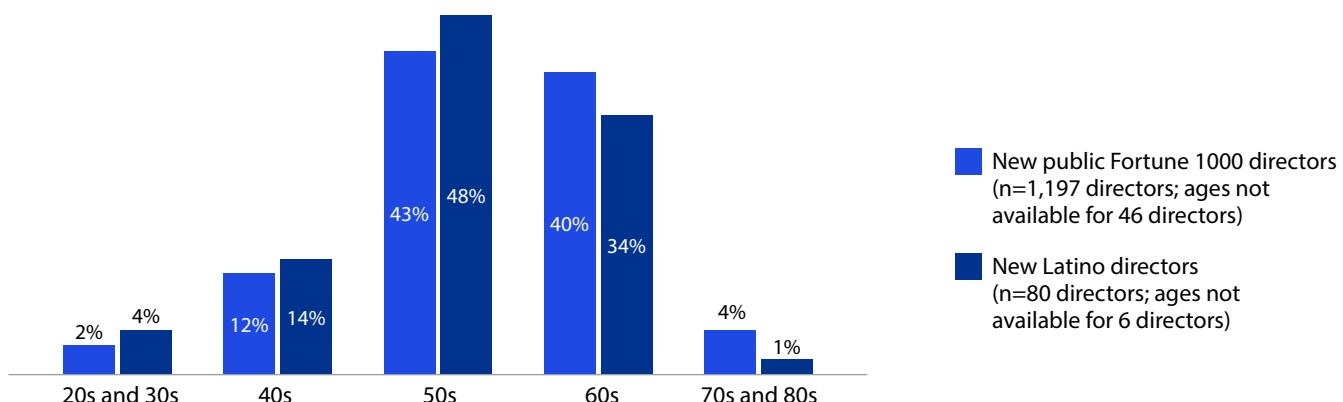


The new Latino directors are more likely to be younger than their peers by about one-and-a-half years. The average age of the new Latino directors is just under 56 years compared to nearly 57 and a half years for all new directors on public Fortune 1000 boards. Two-thirds of the new Latino directors are under age 60, while 57 percent of all new public Fortune 1000 directors are in this age range.

Ages of new directors

who started between January 1, 2022, and June 30, 2023

Comparison of Latino directors and all public Fortune 1000 directors



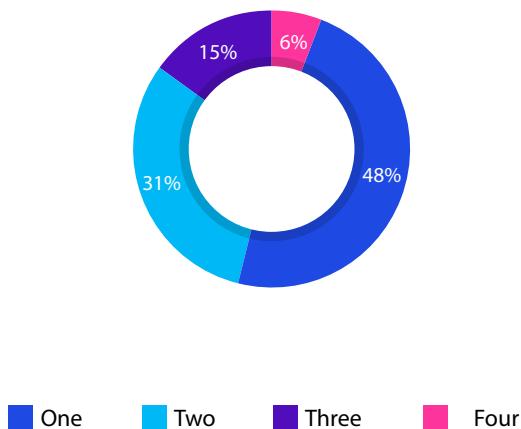
Board service

As the work of the board becomes more time-intensive, many directors are carefully considering the number of boards on which they serve. While there are benefits to having directors who serve on other boards, finding the right balance for your board and each director is important.

Latino directors are more likely to serve on multiple public company boards. More than half (52 percent) of the Latino directors studied serve on more than one public company board compared to 44 percent of all public Fortune 1000 directors. Additionally, the percentage of Latino directors serving on multiple public company boards has increased over the years studied.

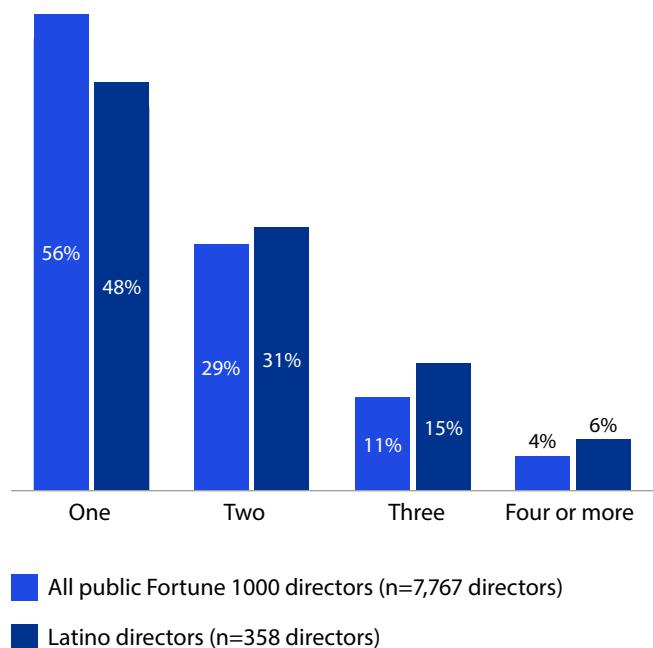
Number of public company boards on which Latino directors serve

2023; n=358 directors



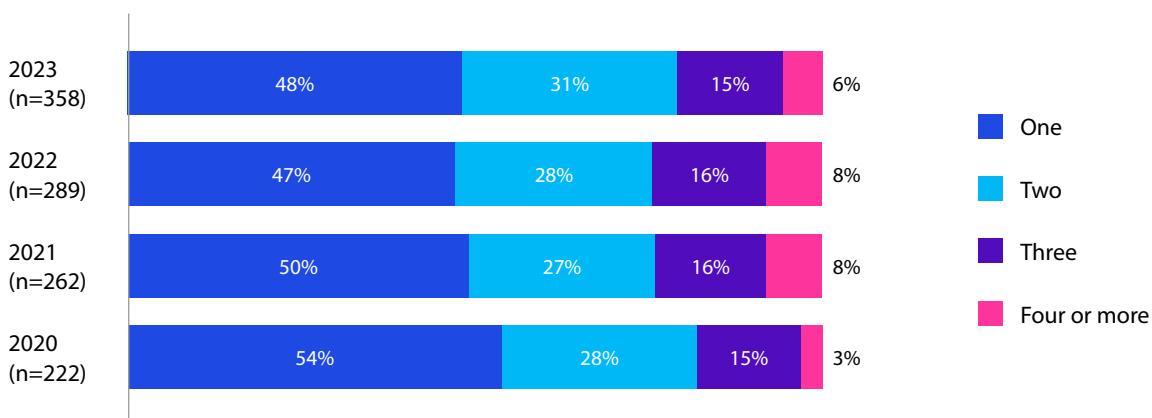
Number of public company boards on which Latino directors serve

Comparison to all public Fortune 1000 directors (2023)



Number of public company boards on which Latino directors serve

Year-over-year comparison



Note: Does not equal 100% due to rounding

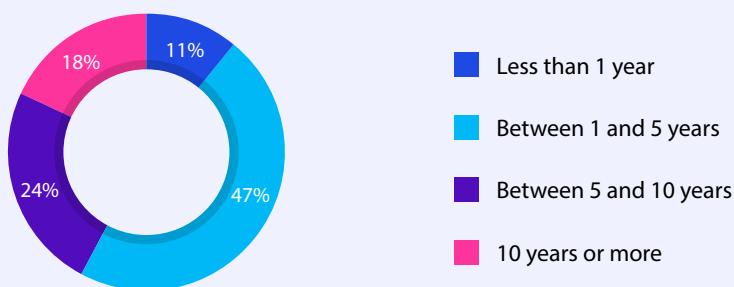
Board tenure

Boards typically seek a mix of tenures among the directors as they consider the needs of the company. Longer-tenured directors may offer deep company-specific knowledge, historical context, and established relationships with key stakeholders. Directors with shorter tenures may offer fresh ideas and may help avoid complacency. Additionally, nominating new director candidates gives the board an opportunity to select from a diverse candidate pool, both in terms of demographics as well as expertise related to rapidly changing issues that are increasingly relevant for the company (e.g., artificial intelligence, cybersecurity, climate risk, geopolitical risk).

The average tenure of the Latinos serving on public Fortune 1000 boards is nearly 6 years while the average for all public Fortune 1000 directors is 8 years. More than half (58 percent) of Latino directors studied have joined their boards within the last five years. By comparison, 45 percent of all public Fortune 1000 directors have served for less than five years. Furthermore, only 18 percent of Latino directors have served for 10 years or more, compared to 28 percent of all public Fortune 1000 directors.

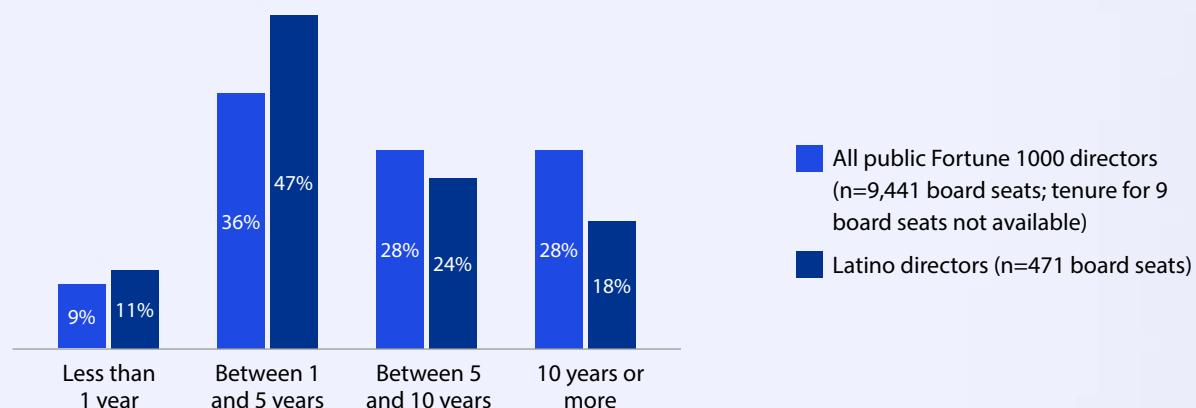
Tenure of Latino directors serving on public Fortune 1000 boards

2023; n=471 board seats



Director tenure

Comparison between board seats held by Latino directors to board seats held by all public Fortune 1000 directors (2023)



Latino board leaders



24 public Fortune 1000 companies have a board chair who is Latino. All of these Latino directors are male.

14 of the Latino board chairs are also the company's CEO.

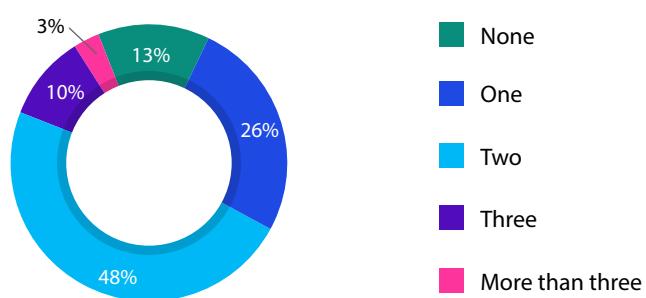
11 Latinos serve as lead independent directors on public Fortune 1000 boards.

4 of these Latino directors are female.

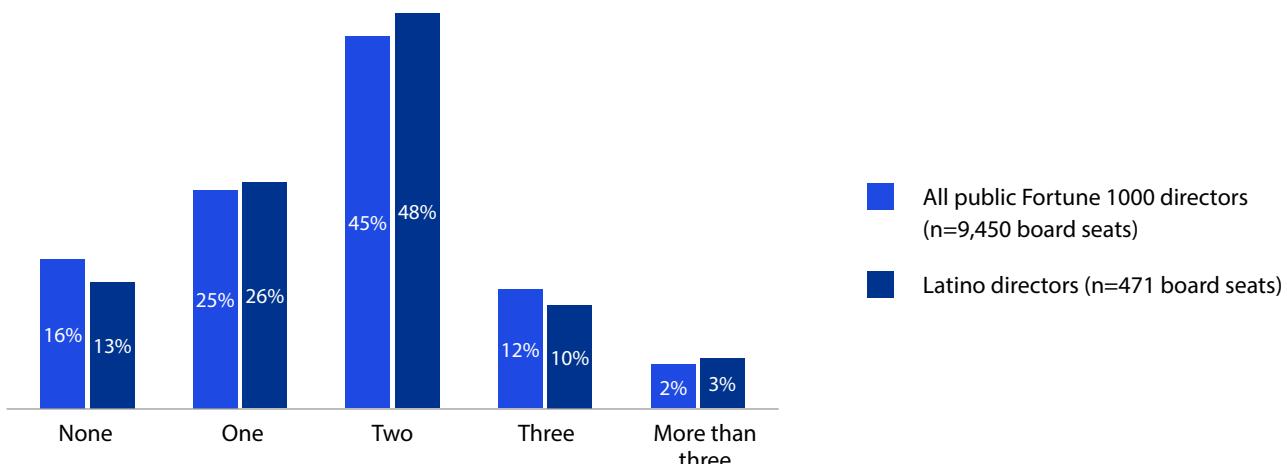
Committee service

Service on board committees allows directors to focus on specific governance matters and to utilize their experience and expertise in support of the obligations of the board. In addition to the three key committees—audit, compensation, and nominating/governance—many large company boards have other committees based on their industry or specific strategic needs, and most directors serve on more than one committee. About half of the Latino directors studied serve on two board committees. Latino directors are just as likely to serve on multiple board committees than all public Fortune 1000 directors.

Number of board committees on which public Fortune 1000 Latino directors serve
2023; n=471 board seats



Number of board committees
Comparison of board seats held by Latino directors to board seats held by public Fortune 1000 directors (2023)

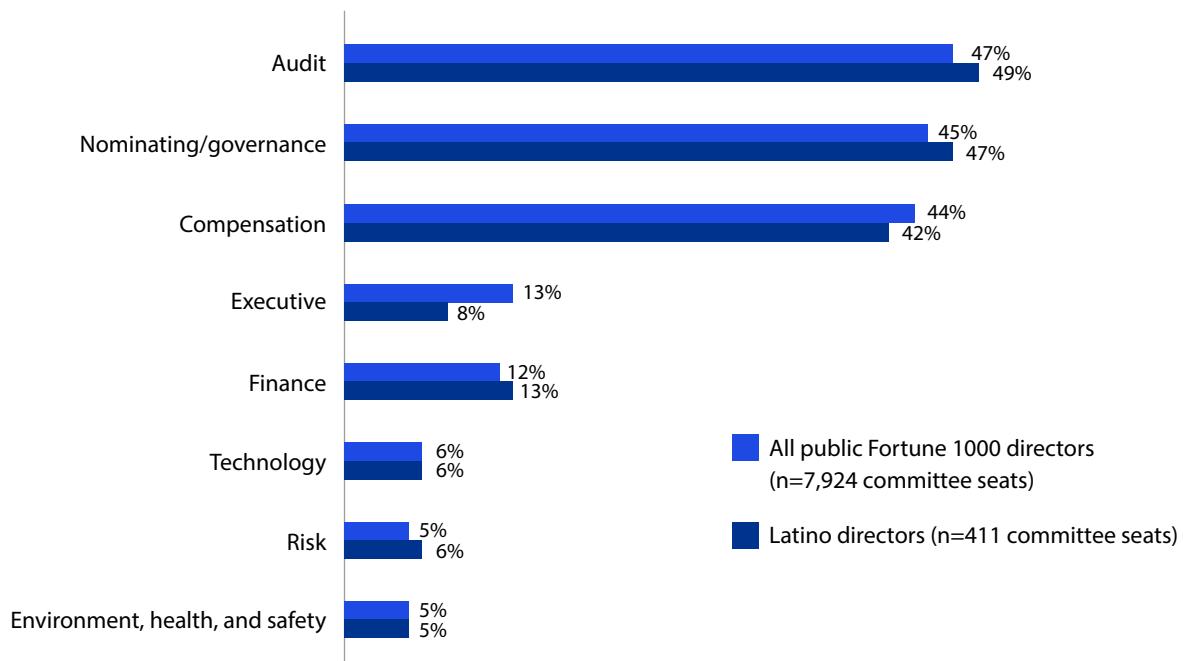


The Latinos who serve on at least one board committee are most likely to serve on the audit committee and/or the nominating/governance committee. Among the additional committees, Latinos most commonly serve on the finance committee. Latinos are less likely than all public Fortune 1000 directors to serve on the board's executive committee. This may be because executive committees often include the longest-tenured directors, and Latino directors do not typically fall into this category. Latinos are just as likely as their peers to serve on technology committees; risk committees; or environment, health, and safety committees, if their boards have such committees in place.

Committees on which directors serve

Comparison of Latino directors to all public Fortune 1000 directors

2023; service on multiple committees possible



Committee chairs play an important role in focusing the work of the committee, liaising with management and outside advisors, and leading the deliberations during committee meetings. Latinos are increasingly serving as chairs of the three key committees. In 2023, 32 public Fortune 1000 company audit committees were chaired by Latinos. This reflects a slight increase over the prior year, when 29 public Fortune 1000 audit committees were chaired by Latinos. In addition, Latinos chaired 30 public Fortune 1000 compensation committees in 2023, up from 22 in 2022. The number of public Fortune 1000 nominating/governance committees chaired by Latinos also increased to 32 from 24.

Number of public Fortune 1000 committees chaired by Latino directors		
Committee	2022	2023
Audit	29	32
Compensation	22	30
Nominating/governance	24	32

Comparison by industry⁶

Among public Fortune 1000 companies, those in the engineering, food and beverage, chemicals, and energy industries have the highest percentage of companies with at least one Latino director. In each of these industries, more than half of the companies have at least one Latino in the boardroom. This is an improvement from our 2022 study, when only the food and beverage industry had a majority of companies with at least one Latino director. However, compared to the nearly 20 percent of the US population who identifies as Latino,⁷ across all industries, Latinos remain significantly underrepresented on public Fortune 1000 company boards. In no industry are more than 8 percent of the board seats held by Latinos. In the industrials industry, only 2 percent of the board seats are held by Latinos.

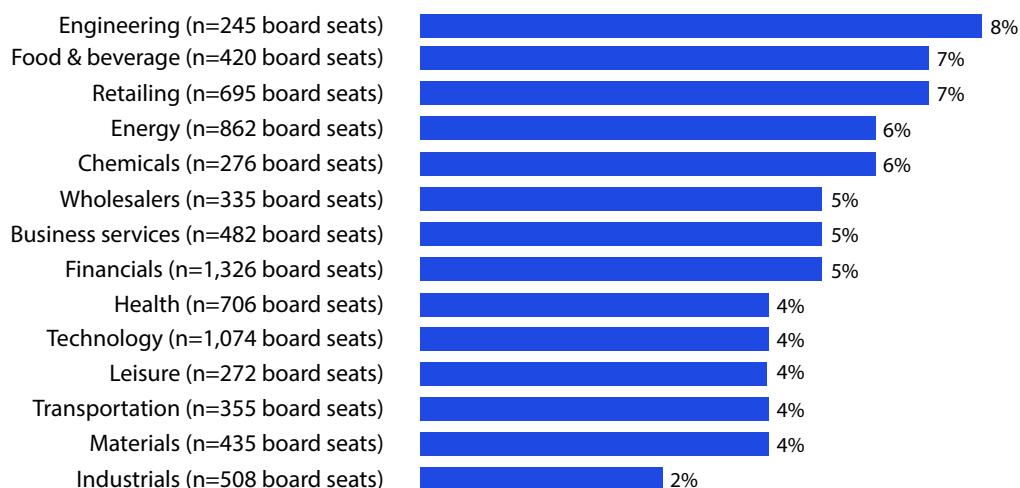
Percentage of public Fortune 1000 boards with at least one Latino director

Comparison by industry



Percentage of public Fortune 1000 board seats held by Latinos

Comparison by industry



⁶ Charts do not include those industries that do not have at least 25 companies among the public Fortune 1000 companies.

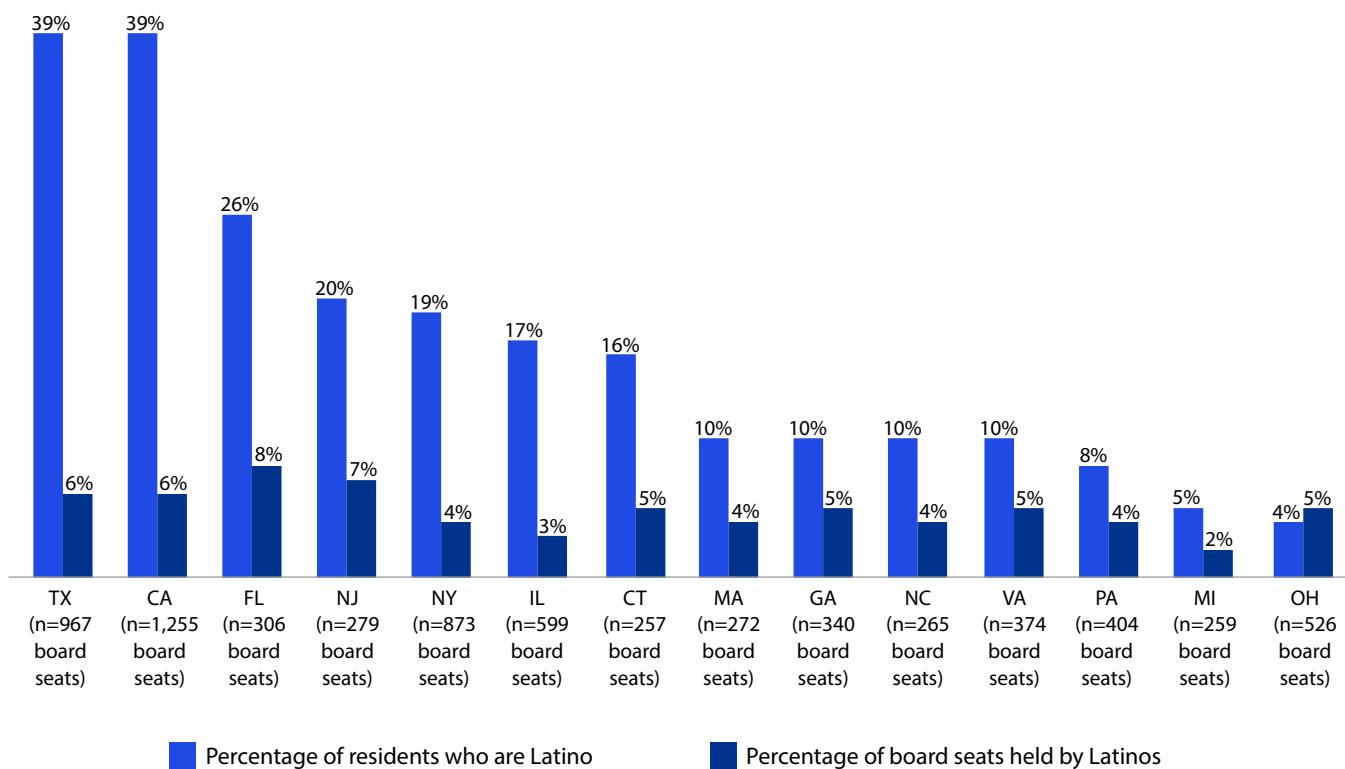
⁷ United States Census Bureau, QuickFacts United States, population estimates as of July 1, 2023.

Comparison by state of corporate headquarters

Among those states where at least 25 public Fortune 1000 companies are headquartered, Texas and California continue to have the highest percentage of residents who are Latino, at 39 percent of the population. However, Latinos currently hold only 6 percent of board seats at companies headquartered in both of these states. In Florida, where 26 percent of residents are Latino, Latinos hold 8 percent of public Fortune 1000 board seats.

Latino population compared to percentage of public Fortune 1000 board seats held by Latinos

Comparison by state of corporate headquarters



Source: World Population Review, Hispanic Population by State 2023.



Methodology

Time frame

This report analyzes trends among the Latino directors serving on Fortune 1000 boards from 2019 to 2023. Data presented from 2022 and 2023 includes those directors serving on the boards of companies included on the Fortune 1000 list as of June 30 for each respective year. For more information on the data presented from 2019 to 2021, please reference the following previously published reports: [Latino representation on Fortune 1000 boards: 2019 Edition](#), [Latino representation on Fortune 1000 boards: 2020 Edition](#), and [Latino representation on Fortune 1000 boards: 2022 Edition](#).

Companies

Analysis pertaining to the percentage of Latino directors serving on boards is based on all 1,000 companies on the respective Fortune 1000 list (unless otherwise noted), referred to as "Fortune 1000 companies." Because some information is only disclosed by publicly traded companies, analysis pertaining to director demographics (e.g., age, gender) or board-related information (e.g., tenure, number of boards served, committee service) is based on only those Fortune 1000 companies also included in the Russell 3000 Index for the respective year, referred to as "public Fortune 1000 companies."

Directors

A portion of the Latino directors studied serve on more than one public Fortune 1000 company board. Therefore, the "board seat universe"—where individual directors are counted for each board served—is used when analysis pertains to service on a particular board (e.g., tenure, committee service, board leadership). The "director universe"—where individual directors are counted only once—is used when the analysis pertains to director characteristics (e.g., gender, age, number of public company boards).

Director and governance data for the public Fortune 1000 companies were provided by Equilar, a corporate leadership data firm, and were pulled from the companies' proxy statements for the respective year.

Identification

The Latino directors serving on Fortune 1000 boards were identified by the LCDA using the following methodology:

- Hispanic/Latino(a) is defined as "those who classify themselves in one of the specific Hispanic, Latino, or Spanish categories ('Mexican, Mexican Am., or Chicano,' 'Puerto Rican,' or 'Cuban')" and "those whose origins are from Spain, the Spanish-speaking countries of Central or South America, or another Spanish culture or origin. Origin can be viewed as the heritage, nationality group, lineage, or country of birth of the person or the person's parents or ancestors before their arrival in the United States. People who identify their origin as Hispanic, Latino, or Spanish may be of any race."⁸ Unless otherwise indicated, the term Latino as used throughout this report is not gender specific.
- The individual is a US citizen, a noncitizen national of the United States, or a lawful permanent resident of the United States.⁹
- Review of publicly available information.
- LCDA and its strategic partners engaged the board member or company to confirm that the appropriate racial/ethnic designation had been made.
- No surveys were provided to individuals for self-identification.

LCDA follows the model of the US Securities and Exchange Commission and federal bipartisan legislation that promotes "self-identification" by directors for companies to disclose and track the race and ethnic composition of their boards.

⁸ United States Census Bureau, QuickFacts United States, Population Estimates, July 1, 2023.

⁹ In 2019, 2020, and 2021, only those Latino directors serving on Fortune 1000 company boards who resided in the US and/or identified as US Hispanic/Latino were included in the studies. Beginning in 2022, all Latino directors serving on Fortune 1000 company boards were included. The impact of this methodological change was negligible.

About the author

Annalisa Barrett is a senior advisor with the KPMG Board Leadership Center, where she leads research projects and develops thought leadership, in addition to providing insights to corporate boards on emerging trends in corporate governance.

About Latino Corporate Directors Association (LCDA)

LCDA convenes accomplished Latino executives at the highest levels of corporate leadership who are committed to paying it forward and advancing the mission to develop, support, and increase the number of US Hispanic/Latinos on corporate boards. LCDA has more than 550 members, including corporate board directors, senior executives, and business leaders. LCDA advocates for and provides talent to corporate boards, search firms, and private equity. To learn more, visit <https://latinocorporatedirectors.org>.

About Latino Corporate Directors Education Foundation (LCDEF)

LCDEF is the affiliated foundation of LCDA. Together with LCDA, the foundation is committed to paving the way for the next generation of US Latina and Latino corporate directors. Its strategic priority is to prepare, position, and grow the supply of Latino C-suite executives prepared for corporate board service and lead with research-based reports and thought leadership. To learn more, visit https://www.latinocorporatedirectors.org/about_lcdef.php.

About the KPMG Board Leadership Center

The KPMG Board Leadership Center (BLC) champions outstanding corporate governance to drive long term value and enhance stakeholder confidence. Through an array of insights, perspectives, and programs, the BLC—which includes the KPMG Audit Committee Institute and close collaboration with other leading director organizations—promotes continuous education and improvement of public and private company governance. BLC engages with directors and business leaders on the critical issues driving board agendas—from strategy, risk, talent, and ESG to data governance, audit quality, proxy trends, and more. Learn more at kpmg.com/us/blc.

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